

# **Kentucky Agricultural Development Board**

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## ***Minutes of the October 17, 2008 Board Meeting***

The Kentucky Agricultural Development Board meeting was held on Friday, **October 17, 2008 at 10:15 a.m.**, at the Franklin County Cooperative Extension Office in Frankfort, KY. Commissioner Richie Farmer, presiding, called the meeting to order, and the Secretary called the roll.

### **Roll Call**

#### **Members Present**

Vickie Yates Brown; Rodney Dick; Commissioner Richie Farmer; Secretary Larry Hayes (Don Goodin, designee); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Mary Sias; Jim Sidebottom; Dean Scott Smith

#### ***Others Present***

**Staff** - Roger Thomas, Angela Blank, Diane Fleming, Todd Harp, Jennifer Hudnall, Tim Hughes, Michael Judge, Christi Marksby, Bill McCloskey, Jennifer Mobbs, Joel Neaveill, Kylee Smith

**Guests** – Don Van Erden, Community Farm Alliance; Brent Lackey and Larry Snell, Kentucky Center for Agriculture and Rural Development (KCARD); Melony Furby, Kentucky Entrepreneurial Coaches Institute (KECI); Lowell Atchley, Legislative Research Commission (LRC); Jane Browe and Millard Long, Katelyn's Honey, Inc. (KHI); Larry Mitchell and Steve Shiplett, Save-A-Lot; Stacia Alford, Warren Beeler, Rodger Bingham, Kristen Branscum, Angela Caporelli, Bill Clary, Lori Durham, Michael Fitzgerald, Tina Garland, Bill Holleran, Kelly Ludwig, Anna Lucio, Steve Mobley, Pam McNabb, Maria Rudder, Eunice Schlappi, Mac Stone, Shirley Stucker, Katherine Wheatley, Lashley Williams, and Stephen Yates, Kentucky Department of Agriculture (KDA)

### **Notification of Media**

Commissioner Farmer received verification that the media had received notice regarding the Kentucky Agricultural Development Board (KADB) monthly meeting.

### **Welcome**

Commissioner Farmer welcomed everyone to the KADB meeting.

### **Approval of Minutes**

**Dean Smith moved to approve the minutes of the September 19, 2008 meeting as presented: Pat Henderson seconded the motion. The motion passed without dissent.**

## **Executive Director's Report**

Commissioner Farmer called on Roger Thomas to give the Executive Director's Report.

Mr. Thomas welcomed all guests and thanked the Board Members for their attendance. Mr. Thomas announced that Kylee Smith would act as Board Secretary; Cyndi Hall's daughter is getting married Saturday.

Mr. Thomas announced the resignation of Dennis Griffin. A replacement has not yet been named.

Mr. Thomas reported on the October 1, 2008 Tobacco Settlement Agreement Fund Oversight Committee Meeting. Diane Fleming presented a report on the audit to the Committee. Bill McCloskey gave a presentation to the Oversight Committee concerning Kentucky Agriculture Finance Corporation (KAFC). The next Oversight Committee meeting will be November 5, 2008.

On October 8, 2008, Mr. Thomas reported to the Rural Issues Subcommittee on KAFC. At the Interim Joint Committee on Agriculture and Natural Resources drought issues were discussed and a resolution made.

Mr. Thomas called on Angela Blank to give a report on the First Lady's Farmers' Market and Kentucky Proud lunch which took place on October 8, 2008 in conjunction with the Interim Joint Committee on Agriculture and Natural Resources. The First Lady plans to continue having a Farmers' Market at the Capitol and there will be a planning meeting on November 1, 2008 to discuss logistics for future events.

Mr. Thomas called on Joel Neaveill to report on the Sunbelt Expo. The Expo, which took place in Georgia from October 13 thru October 15, 2008, had over 250,000 participants. Kentucky was honored to be the spotlight state showcasing our agricultural heritage. Mr. Thomas, Angela Blank and Joel Neaveill attended representing GOAP. Mr. Thomas was the keynote speaker at the luncheon and was able to talk about the success and accomplishments of the KADB, KAFC and GOAP. Mr. Thomas thanked Kentucky Farm Bureau, KDA and the University of Kentucky for their efforts in highlighting Kentucky's presence at the event and allowing all of us to work together.

The November Planning Meeting will be in Bowling Green on November 20 & 21, 2008. Mr. Thomas expressed the importance of this meeting. It will give the Board Members the opportunity to provide valuable input. Please note that we will start on Thursday, November 20<sup>th</sup> at 9:00 a.m. CST. The Governor will be in attendance for those two days. We have been invited to dinner with the Warren County Cattlemen's Association at the Barren River Regional Livestock Center and also to the Bowling Green Area Chamber of Commerce Agri-business Committee Breakfast. Governor Beshear is scheduled to speak at both events honoring agriculture.

Mr. Thomas announced the Second Annual Kentucky Women's Field Day at Hughes Cattle Company in Hiseville, KY on Tuesday, October 21, 2008. Mr. Thomas called on

Sam Lawson for more details (brochure on file with the Board Secretary). There will be nine to ten topics presented in 25 minute sessions. The Kentucky representative in the Sunbelt Expo Farmer of the Year, Loretta Lyons, will be the guest speaker.

The Kentucky Women in Agriculture Annual Meeting will begin on Thursday, October 30, 2008. GOAP staff will be presenting, as well as First Lady, Jane Beshear. A Taste of Kentucky event will be on Thursday evening, it is open to the public. If you are interested let Christi Marksbury know. The tickets are \$15.00 in advance and \$20.00 at the door.

On October 28, 2008, a Press Conference at Western Kentucky University with Governor Beshear is tentatively scheduled concerning the Re-Borne project.

Mr. Thomas announced the date of the Annual Meeting to be January 15, 2009, at the Lexington Center. The meeting will cover Kentucky Agricultural Development Fund program changes, compliance reporting, Kentucky Agriculture Finance Corporation Programs and an awards luncheon. Our monthly Board meeting will be held at the same location on January 16, 2009. The KAFC Board will also have their January meeting on the 16<sup>th</sup>.

Mr. Thomas gave an update on the County Council Memberships. As of Thursday we have 101 counties up-to-date, with 19 counties yet to report. The due date for these updates is Friday, November 7, 2008.

Mr. Thomas called on Michael Judge to report on the Distribution Meeting that was held at the GOAP office on October 2, 2008. At this meeting the problem was defined and October 10, 2008 was set for the next meeting.

Mr. Thomas called on Diane Fleming to present a Memorandum on Legal Updates (on file with the Board Secretary). The Legal Agreement that was to be included with the Memorandum was handed out to the Board (on file with the Board Secretary). Ms. Fleming gave the Board Members a copy of the 60 day response to the Auditor (handout on file with the Board Secretary). Ms. Fleming also discussed the continuing process for amending legal agreements.

Mr. Thomas gave a brief update on the K.A.R.E. Program (handout on file with the Board Secretary).

In last months referral packet the Board was given a 25 by '25 report and the Louisville Metro Farmers' Market Study. There will be a presentation given to the Board at a future meeting.

Mr. Thomas called on Bill McCloskey to give a report on the financial position of the KAFC. Mr. McCloskey referred to the report, in the Board Book (on file with the Board Secretary), which shows the balance as of September 30, 2008. Next scheduled KAFC meeting is November 7, 2008.

Mr. Thomas announced that Bill McCloskey attended the National Council of State Agricultural Finance Program (NCOSAFP) in Vermont. Mr. McCloskey gave a brief overview of the Council.

Mr. Thomas announced that Todd Harp went to California to test for his re-certification for goat judging. He achieved Senior Licensed Judge for the American Dairy Goat Association

No action was taken on the Executive Director's report.

### **Presentations**

Commissioner Farmer called on Melony Furby to give a report on the Entrepreneurial Coaches Institute (packet on file with Board Secretary).

### **New Business**

#### ***Referral of November Projects<sup>1</sup>***

Commissioner Farmer presented projects A2008-0436 to A2008-0444 for referral to the Board's November 21, 2008 meeting for review. **Rodney Dick moved that projects A2008-0436 to A2008-0444 be referred for November 21, 2008 review; Jim Sidebottom seconded the motion. The motion passed without dissent.**

#### ***Approval of Model Programs<sup>2</sup>***

Commissioner Farmer submitted projects requesting funds for county model programs meeting state program guidelines and compliance standards. **Wayne Mattingly moved the said applications be approved for the named model programs; Dr. Sias seconded the motion. The motion passed without dissent.**

#### ***Approval of Menu Projects<sup>3</sup>***

Commissioner Farmer submitted projects requesting funds for county menu projects meeting state program guidelines and compliance standards. **Rodney Dick moved the said applications be approved for the named model programs; Don Goodin seconded the motion. The motion passed without dissent.**

#### ***Requested Amendments<sup>4</sup>***

Mr. Thomas presented eleven (11) requested amendments for approval. **Dean Smith moved that said amendments be approved; Jim Sidebottom seconded the motion. The motion passed without dissent.**

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<sup>1</sup> A detailed list of the referred projects is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under each model program category is attached as Appendix B.

<sup>3</sup> A detailed list of projects funded under each menu project category is attached as Appendix C.

<sup>4</sup> A detailed list of requested amendments approved is attached as Appendix D.

***Memo Action Items***

Todd Harp presented a Memorandum on A2007-0412, Buffalo Trace Area Development District. Buffalo Trace Area Development District requests an additional \$20,000 in Robertson County funds for a hay handling program. Staff recommends approving this request pending meeting all state guidelines and compliance standards. **Dean Smith moved that A2007-0412 be approved for an additional \$20,000 in Robertson County funds; Dr. Sias seconded the motion. The motion passed without dissent.**

Christi Marksbury presented a Memorandum on A2008-0362 Hardin County Goat Producers Association, Inc. Hardin County Goat Producers Association, Inc. was approved for \$30,000 for the Goat & Sheep Diversification Model Program at the August 15, 2008 board meeting. This applicant intended for this to be a Menu Approach Program that included the Forage Improvement & Utilization Model Program. Staff recommends that A2008-0362 be amended from a Model Program to a Menu Approach Program and include the Forage Improvement & Utilization Model Program. **Sam Moore moved that A2008-0362 be approved as a Menu; Jim Mahan seconded the motion. The motion passed without dissent.**

Christi Marksbury presented a Memorandum on A2008-0181, Hancock County Conservation District (handout on file with the board secretary). Hancock County Conservation District was approved for an additional \$10,269 in Hancock County funds. There was an oversight and the request was to be for an additional \$11,269 in Hancock County funds. Staff recommends funding an additional \$1,000 in Hancock County to correct the oversight. **Mr. Henderson moved that A2008-0181 be approved for an additional \$1,000 in Hancock County funds; Mr. Goodin seconded the motion. The motion passed without dissent.**

Tim Hughes presented a Memorandum on the Bracken County Comprehensive Plan (handout is on file with the Board Secretary). Jefferson County has not turned in its Comprehensive Plan. **Mr. Mahan moved that the Bracken County Comprehensive Plan be accepted; Mr. Dick seconded the motion. The motion passed without dissent.**

***Recommendations for Funding***

Christi Marksbury presented A2008-0280, Foothills Products and Services, Inc. Foothills Products and Services, Inc. requests a total of \$13,500 in County funds: \$2,000 in Clay County funds, \$1,000 in Clinton County funds, \$3,000 in Russell County funds, \$2,500 in Pulaski County funds, \$5,000 in Wayne County funds and \$471,000 in State funds to purchase Foothills County Meats, a USDA inspected and custom slaughter business in Wayne County. The funds will be used for the purchase of and improvements to the facility. Ms. Marksbury reviewed the proposed terms and conditions for the project. Staff recommends A2008-0280 be approved for a total of \$13,500 in County funds: \$2,000 in Clay County funds, \$1,000 in Clinton County funds, \$3,000 in Russell County funds, \$2,500 in Pulaski County funds, \$5,000 in Wayne County funds and \$471,000 in the form of a 0%

interest loan pending meeting all program guidelines and compliance standards. **Mr. Dick moved that A2008-0280 be approved for a total of \$13,500 in County funds: \$2,000 in Clay County funds, \$1,000 in Clinton County funds, \$3,000 in Russell County funds, \$2,500 in Pulaski County funds, \$5,000 in Wayne County funds and \$471,000 in the form of a 0% interest loan; Mr. Lawson seconded the motion. Then Mr. Lawson moved to amend the motion to include an annual audit, and a notification of any change to the corporate structure which will be subject to KADB approval. Mr. Mattingly seconded the motion. The amendment passed without dissent. The motion as amended passed without dissent.**

Adjourned for lunch at 12:15 p.m. EST.

Resumed at 1:06 p.m. EST.

Michael Judge presented A2008-0330, Johns Custom Meats, LLC. Johns Custom Meats, LLC requests \$10,000 in Barren County funds, \$10,000 in Warren County funds, and \$128,250 in State funds to complete the construction of their current livestock processing facility and purchase new equipment. Mr. Judge reviewed the proposed terms and conditions for the project. Staff recommends A2008-0330 be approved for \$10,000 in Barren County funds, \$10,000 in Warren County funds and not to fund \$128,250 in State funds pending meeting all program guidelines and compliance standards. **Mr. Mattingly moved that A2008-0330 be approved for \$10,000 in Barren County funds, \$10,000 in Warren County funds. Mr. Mattingly further moved not to fund \$128,250 in State funds. Mr. Mahan seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented A2008-0425, Franklin County High School. The Franklin County High School requests \$7,500 in Franklin County funds to build a greenhouse on the grounds of Franklin County High School. Ms. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends A2008-0425 be approved for \$7,500 in Franklin County funds pending meeting all state guidelines and compliance standards. **Mr. Dick moved that A2008-0425 be approved for \$7,500 in Franklin County funds; Mr. Mahan seconded the motion. The motion passed without dissent.**

Todd Harp presented A2008-0407, University of Kentucky. The University of Kentucky requests \$1,000,000 in State funds to establish an endowment for the Kentucky Agriculture Leadership Program. Mr. Harp reviewed the proposed terms and conditions for the project. Staff recommends A2008-0407 be approved for \$1,000,000 in State funds pending meeting all state guidelines and compliance standards. **Mr. Hunt moved to Pend the Application; Mr. Mattingly seconded the motion. Dean Smith abstained. The motion passed with dissent.** Mr. Thomas designated a committee to discuss the issues identified by the Board as follows: Vickie Yates Brown, Troy Rankin, and Dr. Sias.

### **Recommendations for Pending Funding**

The following applications were discussed, given advisory committees where needed, but no action was taken: Gateway Regional Agri-tourism Association (A2008-0423); Kentucky Horticulture Council (A2008-0426)—Mr. Dick, Mr. Mattingly, and Mr. Sidebottom; Crooked River Farms, LLC (A2008-0427); and Kentucky Dairy Development Council, Inc. (A2008-0434)—Mr. Hunt, Mr. Lawson, and Mr. Mahan.

### **Recommendations for Deferred Funding**

Jennifer Hudnall presented A2008-0409, Kentucky Department of Agriculture Kentucky Proud Marketing Program. Kentucky Department of Agriculture Kentucky Proud Marketing Program requests \$6,155,000 in State funds to continue the promotion of the Kentucky Proud program and related activities designed to instill in Kentucky consumers' minds the value of "buy local" when shopping for food and fiber products. Ms. Hudnall called on Mac Stone with Kentucky Department of Agriculture to give a presentation and to answer any of the Board's questions (three handouts are on file with the Board Secretary).

### **Closing Remarks**

The next meeting of the Kentucky Agricultural Development Board will convene at 1:00 p.m. CST, on Friday, November 21, 2008 at the Bowling Green Hilton Garden Inn in Bowling Green, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

The meeting adjourned at 3:32.

**APPROVED:** \_\_\_\_\_

**PRESIDING OFFICER:** \_\_\_\_\_

**SECRETARY:** \_\_\_\_\_

**APPENDIX A: New Applications for Referral**

<b>App #</b>	<b>Applicant</b>	<b>Request Type</b>
A2008-0436	Carroll Co. Agriculture Development Fund, Inc.	Project
A2008-0437	Carroll Co. Agriculture Development Fund, Inc.	Project
A2008-0438	Clinton County Farm Bureau, Inc. of Albany, Kentucky	Cattle Genetics Improvement
A2008-0439	Dossey Vineyards, LLC dba Purple Toad Winery	Project
A2008-0440	Kentucky Agricultural Finance Corporation	Project
A2008-0441	McCreary County Development Association, Inc.	Shared-use Equipment
A2008-0442	The Agriculture Communications Association, Inc.	Agricultural Diversification
A2008-0443	Appalachian Alternative Agriculture of Jackson County, Inc.	Project
A2008-0444	Katelyn's Honey, Inc.	Project



## APPENDIX B: Model Programs Recommended for Approval

**Agricultural Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0442	The Agriculture Communications Association, Inc.	Bath	\$52,500.00
			<b>\$52,500.00</b>

**Cattle Genetics Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0438	Clinton County Farm Bureau, Inc. of Albany, Kentucky	Clinton	\$37,445.00
			<b>\$37,445.00</b>

**Shared-use Equipment**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0441	McCreary County Development Association, Inc.	McCreary	\$400.00
			<b>\$400.00</b>

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Total County Funds Recommended for Approval in Model Programs: **\$90,345.00**

## APPENDIX C: Menu Projects Recommended for Approval

<b>Project</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0437	Carroll Co. Agriculture Development Fund, Inc.	Carroll	\$5,000.00
A2008-0436	Carroll Co. Agriculture Development Fund, Inc.	Carroll	\$31,200.00
A2008-0443	Appalachian Alternative Agriculture of Jackson County, Inc.	Jackson	\$50,000.00
			<hr/> <b>\$86,200.00</b>

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Total County Funds Recommended for Approval in Menu Projects: **\$86,200.00**

## ***APPENDIX D: Requested Amendments-Projects & Programs***

<b>App #</b>	<b>A2007-0399</b>
<b>Applicant Name</b>	<b>Jackson County Cattlemen's Association</b>
Amount Approved	\$225,000
Date	9/28/2007
Requested Change	The applicant requests an <u>additional</u> \$50,000 for a menu approach of the following programs: <i>Forage Improvement &amp; Utilization; and Hay, Straw, &amp; Commodity Storage</i> Programs. The request received a <u>high</u> priority from the Jackson County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$275,000.
Recommendation	Approval
<b>App #</b>	<b>A2007-0400</b>
<b>Applicant Name</b>	<b>Jackson County Cattlemen's Association</b>
Amount Approved	\$125,000
Date	9/28/2007
Requested Change	The applicant requests an <u>additional</u> \$50,000 for a menu approach of the following programs: <i>Cattle Genetics Improvement; Cattle Handling Facilities; Farm Livestock Fencing Improvement; and On-Farm Water Enhancement</i> Programs. The request received a <u>high</u> priority from the Jackson County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$175,000.
Recommendation	Approval
<b>App #</b>	<b>A2008-0086</b>
<b>Applicant Name</b>	<b>Robertson County Conservation District</b>
Amount Approved	\$60,000
Date	4/18/2008
Requested Change	The applicant requests an <u>additional</u> \$30,000 for the <i>Hay, Straw, &amp; Commodity Storage</i> Program. The request received a <u>high</u> priority from the Robertson County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$90,000.
Recommendation	Approval
<b>App #</b>	<b>A2008-231</b>
<b>Applicant Name</b>	<b>Ohio County Conservation District</b>
Amount Approved	\$96,240
Date	6/27/2008
Requested Change	The applicant requests an <u>additional</u> \$43,625 for the <i>Hay, Straw, &amp; Commodity Storage</i> Program. The request received a <u>high</u> priority from the Ohio County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$139,865.
Recommendation	Approval

## ***APPENDIX D: Requested Amendments-Projects & Programs***

**App #** **A2008-0234**  
**Applicant Name** **Bullitt County Cattlemen's Association, Inc.**  
Amount Approved \$12,000  
Date 7/18/2008  
Requested Change The applicant requests an additional \$38,000 for the *Farm Livestock Fencing Improvement* Program. The request received a high priority from the Bullitt County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$50,000.  
Recommendation Approval

**App #** **A2008-0292**  
**Applicant Name** **Clinton/Cumberland Cattlemen's Association, Inc.**  
Amount Approved \$15,000  
Date 6/27/2008  
Requested Change The applicant requests an additional \$15,000 for the *Cattle Genetics Improvement* Program. The request received a high priority from the Cumberland County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$30,000.  
Recommendation Approval

**App #** **A2008-0340**  
**Applicant Name** **Pendleton County Agricultural Diversification Association, Inc.**  
Amount Approved \$254,056  
Date 7/14/2008  
Requested Change The applicant requests an additional \$69,925 for a menu approach of the following programs: *Agricultural Diversification; Cattle Genetics Improvement; Cattle Handling Facilities; Dairy Diversification; Farm Livestock Fencing Improvement; Forage Improvement & Utilization; Goat and Sheep Diversification; Hay, Straw & Commodity Storage; Swine Diversification; and Technology* Programs. The request received a high priority from the Pendleton County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$323,981.  
Recommendation Approval

**App #** **A2007-0395**  
**Applicant Name** **McCreary County Development Association, Inc.**  
Amount Approved \$5,250  
Date 9/21/2007  
Requested Change The applicant requests an additional \$600 for the *Forage Improvement & Utilization* Program. The request received a high priority from the McCreary County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$5,850.  
Recommendation Approval

## ***APPENDIX D: Requested Amendments-Projects & Programs***

<b>App #</b>	<b>A2007-0396</b>
<b>Applicant Name</b>	<b>McCreary County Development Association, Inc.</b>
Amount Approved	\$2,250
Date	9/21/2007
Requested Change	The applicant requests an additional \$1,250 for the <i>Agricultural Diversification</i> Program. The request received a <u>high</u> priority from the McCreary County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$3,500.
Recommendation	Approval

<b>App #</b>	<b>A2007-0397</b>
<b>Applicant Name</b>	<b>McCreary County Development Association, Inc.</b>
Amount Approved	\$3,000
Date	9/21/2007
Requested Change	The applicant requests an additional \$2,400 for the <i>Cattle Handling Facilities</i> Program. The request received a <u>high</u> priority from the McCreary County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$5,400.
Recommendation	Approval

<b>App #</b>	<b>A2007-0398</b>
<b>Applicant Name</b>	<b>McCreary County Development Association, Inc.</b>
Amount Approved	\$3,150
Date	9/21/2007
Requested Change	The applicant requests an additional \$1,000 for the <i>Cattle Genetics Improvement</i> Program. The request received a <u>high</u> priority from the McCreary County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$4,150
Recommendation	Approval